

**SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)**

**BASIC FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION
USING THE GASB 34 MODEL
WITH INDEPENDENT AUDITORS' REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2005

**SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)**

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INDEPENDENT AUDITORS' REPORT

Southwest Utah Public Health Department
St. George, Utah

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, and major fund of Southwest Utah Public Health Department, a component unit of Washington County, State of Utah, as of and for the year ended December 31, 2005, which collectively comprise the Department's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Southwest Utah Public Health Department management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards and the standards generally accepted in the United States of America applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the discretely presented component unit, and major fund of the Southwest Utah Public Health Department as of December 31, 2005, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2006, on our consideration of Southwest Utah Public Health Department's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to

describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 9 and page 31, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise Southwest Utah Public Health's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of Southwest Utah Public Health Department. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
May 15, 2006

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT

Management's Discussion and Analysis

The following narrative presents management's discussion and analysis of Southwest Utah Public Health Department's financial performance during the year ending December 31, 2005. Readers are encouraged to consider the information presented here in conjunction with the basic financial statements and additional information, which follow this section.

History and Background of Southwest Utah Public Health Department

The Southwest Utah Public Health Department was organized in 1972 to provide public health services in Beaver, Garfield, Iron, Kane, and Washington counties. The Department has an office in each county. Residents of the county and people traveling through the area are served by community health nurses, environmental health specialists and other public health personnel. The Department's goal is to protect the community's health through the promotion of wellness and the prevention of disease.

In October 2001, the Department applied for a grant to create a community health center in the Washington County area. In March 2002 the Southwest Community Health Center was created and is a component unit of the Southwest Utah Public Health Department and is presented in the basic financial statements as a discretely presented component unit.

Financial Highlights

- The Department's assets exceeded liabilities by \$655,483 at the close of the most recent calendar year.
- Unrestricted net assets are \$391,054 at December 31, 2005.
- The Department's total assets of \$2,108,557 were 38% cash, receivables and prepaid expenditures.
- The Expenditures for December 31, 2005 were more than the adopted budget by \$36,727.
- Capital assets (Net of accumulated depreciation) at December 31, 2005 were \$1,317,179 which includes a building, equipment, and a vehicle.

Overview of the Financial Statements

This discussion is intended to serve as an introduction to the Department's basic financial statements. The Department's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. The report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Department's financial activities, in a manner similar to a private-sector business. The government-wide financial statements include the Statement of Net Assets, and the Statement of Activities.

The *Statement of Net Assets* presents information on all of the assets and liabilities of the Department, with the difference between the two reported as net assets. Over time, changes in net assets may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating.

The *Statement of Activities* presents information showing how the net assets of the Department changed during the most recent fiscal year. All changes on net assets area reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal year period (e.g., uncollected revenues and earned, but unused, vacation leave).

The distinct type of activities reflected in the government-wide statements are governmental activities. The Health Department has no business-type activities. Governmental activities are those supported primarily by intergovernmental revenues and fees for services.

The Department's governmental activities include such functions as child and adult immunizations, birth and death records, restaurant, food service, pool, septic tank and other public service related inspections in the environmental health field, well child exams and education, and other public health related services and associated administrative costs that fall under the Department's umbrella.

Fund Financial Statements

As is common with other state or local government entities, the Department uses *funds* to account for separate activities and to help demonstrate compliance with financially related legal requirements (such as budgetary compliance). A fund is a set of closely related accounts used to maintain control over financial resources which have been segregated for specific activities or purposes. All funds of the Department are governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating the government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Department maintains one individual governmental fund which is the general fund

General Fund. The general fund is the operating fund of the Department. Revenues from intergovernmental sources, fees for services, and all other sources are received into this fund. Expenditures include operation and administrative costs.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Southwest Utah Public Health Department. The Department adopts an annual appropriated budget for the governmental funds. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Government-wide Financial Analysis

As previously noted, net assets may serve over time as a useful indicator of an entity's financial position. The assets of the Health Department are classified as current and capital assets. Current assets include cash, investments, receivables, inventories, and prepaid expenditures. These assets are available to provide resources for the near-term operations of the Health Department. The majority of the current assets of the Health Department are cash and receivables due from the state of Utah.

Capital Assets are used in the operations of the Health Department. These assets are a building, equipment, and vehicles. Capital assets are discussed in greater detail in the section titled, Capital Assets and Debt Administration, elsewhere in this analysis.

Current and long-term liabilities are classified based on anticipated liquidation either in the near-term or in the future. Current liabilities include accounts payable, accrued salaries and benefits, unearned revenues, and current debt obligations. The liquidation of current liabilities is anticipated to be either from currently available resources, current assets, or new resources that become available during the next fiscal year. Long-term liabilities such as long-term debt obligations and compensated absences payable will be liquidated from resources that will become available after the current fiscal year.

The assets of the primary government exceeded liabilities by \$655,483.

**Southwest Utah Public Health Department
Comparative Summary of Net Assets
As of December 31, 2005 and 2004**

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Assets:		
Current assets	\$ 791,378	\$ 806,240
Capital assets	<u>1,317,179</u>	<u>1,297,903</u>
Total assets	<u>2,108,557</u>	<u>2,104,143</u>
Liabilities:		
Current liabilities	163,802	159,493
Noncurrent liabilities	<u>1,289,272</u>	<u>1,270,761</u>
Total liabilities	<u>1,453,074</u>	<u>1,430,254</u>
Net assets:		
Invested in capital assets, net of related debt	264,429	199,153
Unrestricted	<u>391,054</u>	<u>474,736</u>
Total Net assets	<u>\$ 655,483</u>	<u>\$ 673,889</u>

Governmental Activities

For 2005, Southwest Utah Public Health Department's governmental activities decreased net assets by \$18,406.

**Southwest Utah Public Health Department
Comparative Schedule of Changes in Net Assets
as of and for the fiscal year ended December 31, 2005 and 2004**

	Governmental Activities	
	<u>2005</u>	<u>2004</u>
Revenues:		
Charges for services	\$ 949,116	\$ 845,053
Operating grants and contributions	6,474,351	6,251,388
Other Revenues	33,150	52,106
Interest Earnings	<u>8,581</u>	<u>5,396</u>
Total revenues	<u>7,465,198</u>	<u>7,153,943</u>

**Southwest Utah Public Health Department
Comparative Schedule of Changes in Net Assets
as of and for the fiscal year ended December 31, 2005 and 2004
(Cont'd)**

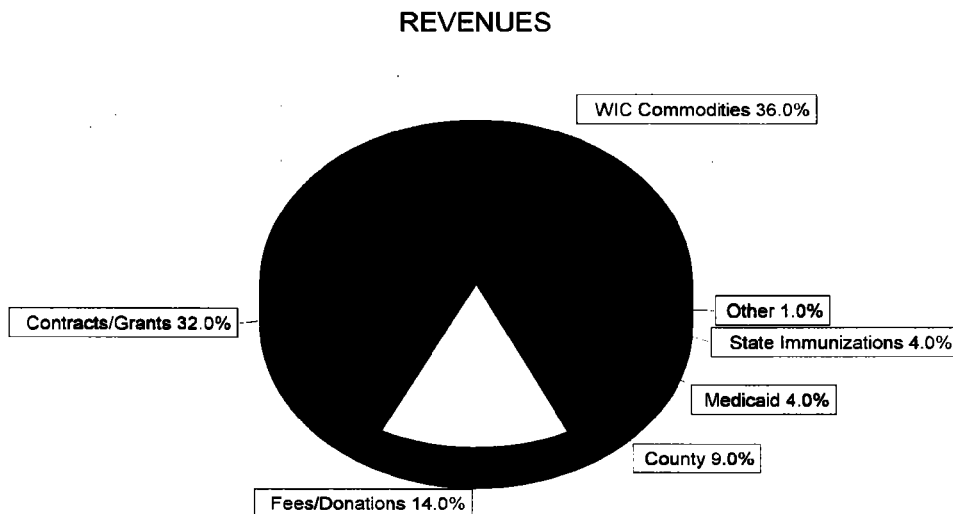
Expenses:

Governmental Activities

Health Department	<u>7,483,604</u>	<u>7,068,481</u>
Total expenses	<u>7,483,604</u>	<u>7,068,481</u>

Changes in net assets	(18,406)	85,462
Net assets, January 1	<u>673,889</u>	<u>588,427</u>
Net assets, December 31	<u>\$ 655,483</u>	<u>\$ 673,889</u>

The following chart depicts the Department's revenues by source:



Financial Analysis of the Government's Funds

As noted earlier, the Health Department uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Health Department maintains one governmental fund which is the general fund and is the operating fund of the Department.

At the end of the current fiscal year the Health Department's fund balance was \$639,834 a decrease of \$65,707 from the prior year.

Revenues increased \$311,255 from the prior year or about 4%. Expenditures increased by \$429,956 or about 6%. This was mostly due to addition of personnel and related costs.

General Fund Budgetary Highlights

During the year, the Southwest Utah Board of Health approved and revised the Department's budget. Budget amendments were made to reflect changes in contracts and related funding. Even with these adjustments, actual expenditures exceeded final budgeted amounts. Revenues also exceeded the final budgeted figures. The Department doesn't budget for WIC commodities or immunization supplies received from the state board of health. The table shown below comparing overall budget to actual is net of the revenue and corresponding expenditure amounts for the WIC commodities and immunization supplies.

Summary of Actual to Budgeted Revenues & Expenses:

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual (Budgetary Basis)</u>
Total Revenues	\$ 4,198,634	\$ 4,466,093	\$ 4,480,763
Total Expenditures including Capital Outlay	<u>4,215,834</u>	<u>4,509,743</u>	<u>4,546,470</u>
Excess (Deficit) of Revenues			
Over Expenditures	<u>\$ (17,200)</u>	<u>\$ (43,650)</u>	<u>\$ (65,707)</u>

Capital Asset and Debt Administration

Capital Assets

The Department's calendar year 2005 investment in capital assets, for all activities, amounted to \$1,317,179. Capital asset investments include a building, furniture, equipment, and a vehicle. Most of the equipment purchased in 2005 was purchased with funds provided by a BioTerrorism contract for preparing the five counties for a possible BioTerrorist event to ensure the negative impact will be as minimal as possible.

Summary of Net Capital Assets

	<u>2005</u>	<u>2004</u>
Buildings	\$ 1,243,750	\$ 1,243,750
Furniture & Equipment	279,125	209,343
Depreciation	<u>(205,696)</u>	<u>(155,190)</u>
Total Net Capital Assets	<u>\$ 1,317,179</u>	<u>\$ 1,297,903</u>

Long-term Debt

The Department had some long-term debt activity during the year. Debt retirement paid in 2005 amounted to \$46,000 in principal and \$27,469 in interest. In 2004, the Health Department made the first payment on a lease/purchase of a building in Cedar City, Utah, that included principal and interest for an annual payment of approximately \$73,000 for a period of twenty years.

Summary of Long-term Debt

	<u>2005</u>	<u>2004</u>
Capital Lease- Cedar City Building	<u>\$ 1,052,750</u>	<u>\$ 1,098,750</u>
Total	<u>\$ 1,052,750</u>	<u>\$ 1,098,750</u>

Request for Information

This financial report is designed to provide interested parties with a general overview of the Department's financial status. Questions concerning any of the reports and information contained in this financial audit, or requests for additional financial information, should be addressed to Southwest Public Health Department, ATTN: Sherry Peterson, 168 North 100 East, St. George, UT 84770. Complete financial statements for the Southwest Utah Community Health Center as a component unit of the Department may be obtained from their administrative office.

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

Statement of Net Assets
December 31, 2005

	Primary Government <u>Governmental</u> Activities	Component Unit
Assets:		
Cash & Cash Equivalents (Note 3)	\$ 174,745	\$ 301,187
Accounts Receivable(Net of Allowance for Doubtful Accounts)	-	136,645
Due from Other Governmental Agencies (Note 4)	593,388	-
Due from Employee, Current Portion	-	2,543
Inventories	-	7,620
Prepaid & Other Assets	23,245	-
Capital Assets (Note 1 & 6) (Net of Accumulated Depreciation)	<u>1,317,179</u>	<u>42,322</u>
Total Assets	<u>2,108,557</u>	<u>490,317</u>
Liabilities:		
Accounts Payable	116,448	244,599
Accrued Interest	12,258	-
Other Current Liabilities	35,096	-
Long-Term Debt:		
Due within one year (Note 10)	47,000	2,543
Due in more than one year (Note 10)	1,005,750	-
Accrued Leave (Note 9)	<u>236,522</u>	<u>40,445</u>
Total Liabilities	<u>1,453,074</u>	<u>287,587</u>
Net Assets:		
Invested in Capital Assets, Net of Related Debt	264,429	42,322
Unrestricted	<u>391,054</u>	<u>160,408</u>
Total Net Assets	<u>\$ 655,483</u>	<u>\$ 202,730</u>

The notes to the financial statements are an integral part of this statement.

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

Statement of Activities
For the Year Ended December 31, 2005

Function/Program	Program Revenues				Net Revenue (Expense) and Changes in Net Assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Component Unit
Primary Government:						
Governmental Activities:						
Health Department	\$ 7,483,604	\$ 949,116	\$ 6,474,351	\$ -	\$ (60,137)	
Total Primary Government	<u>\$ 7,483,604</u>	<u>\$ 949,116</u>	<u>\$ 6,474,351</u>	<u>\$ -</u>	<u>(60,137)</u>	
Component Unit:						
Southwest Utah Community Health Center, Inc.	\$ 1,486,406	\$ 796,263	\$ 787,468	\$ -		\$ 97,325
Total Component Unit	<u>\$ 1,486,406</u>	<u>\$ 796,263</u>	<u>\$ 787,468</u>	<u>\$ -</u>		<u>97,325</u>
General Revenues:						
Other					33,150	-
Interest Earnings					8,581	-
Total General Revenues					<u>41,731</u>	<u>-</u>
Change in Net Assets					(18,406)	97,325
Net Assets at Beginning of Year					673,889	105,405
Net Assets at End of Year					<u>\$ 655,483</u>	<u>\$ 202,730</u>

The notes to the financial statements are an integral part of this statement.

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

Balance Sheet - Governmental Funds
December 31, 2005

	<u>Major Fund</u>
	<u>General Fund</u>
Assets:	
Cash (Note 3)	\$ 174,745
Due from Other Governmental Agencies (Note 4)	593,388
Prepaid Expenses	<u>23,245</u>
Total Assets	<u>\$ 791,378</u>
Liabilities and Fund Balance:	
Accounts Payable	\$ 116,448
Accrued Other Liabilities	<u>35,096</u>
Total Liabilities	<u>151,544</u>
Unrestricted Fund Balance	<u>639,834</u>
Total Fund Balance	<u>639,834</u>
Total Liabilities and Fund Balance	<u>\$ 791,378</u>

The notes to the financial statements are an integral part of this statement.

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

Reconciliation of the Balance Sheet of Governmental Funds

to the Statement of Net Assets

December 31, 2005

Total fund balances for governmental funds	\$ 639,834
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Total net assets reported for governmental activities differs from the statement of net assets as follows:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of the following:

Buildings & Improvements	\$ 100,000	
Furniture & Equipment	279,125	
Assets under Capital Lease-		
Buildings	1,143,750	
Accumulated Depreciation	<u>(205,696)</u>	
Total Capital Assets		1,317,179

Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. Accrued interest for general long-term debt is \$12,794. (12,258)

Long-term Liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end follow:

Capital Leases	(1,052,750)	
Accrued Leave	<u>(236,522)</u>	
Total Long-term Liabilities		<u>(1,289,272)</u>

Total net assets of governmental activities	<u>\$ 655,483</u>
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**Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)**

**Combined Statement of Revenues, Expenditures and Changes in
Fund Balance - Governmental Fund Types
For the Year Ended December 31, 2005**

	<u>General Fund</u>
Revenues:	
Federal and State Contracts	\$ 2,389,645
WIC Commodities	2,718,479
State Immunizations	<u>265,956</u>
Total Federal and State Revenues	5,374,080
Medicaid	332,139
County Participation	704,920
Fees	949,116
School Board Participation	17,147
Interest	8,581
Other	<u>79,215</u>
Total Revenues	<u>7,465,198</u>
Expenditures:	
Wages, Salaries and Fringe Benefits	3,126,523
Administration	46,669
Travel	94,393
Office Supplies	73,283
Printing	6,523
Postage and Freight	25,774
Subscriptions and Publications	7,976
Telephone	44,615
Clinic - Physicians	37,037
Professional Services	115,838
Laboratory Expense	4,669
Workshops	6,630
Fiscal Accounting	19,783
Clinic Supplies	318,668
Insurance and Bonding	16,325
Rent	246,303
Utilities	23,334
Repair Agreements	85,358
Janitorial	1,564
Reimbursements	58,246
Capital Expenditures	85,622
WIC Commodities	2,718,479
State Immunizations	265,956
Interest Expense	27,469
Building Lease	46,000
Equipment Rental	<u>27,868</u>
Total Expenditures	<u>7,530,905</u>
Excess Revenues Over (Under) Expenditures	(65,707)
Beginning Fund Balance	<u>705,541</u>
Ending Fund Balance	<u><u>\$ 639,834</u></u>

The notes to the financial statements are an integral part of this statement.

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2005

Net change in fund balances - total governmental funds	\$ (65,707)
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Amounts reported for governmental activities differs from the statement of activities as follows:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$1,000 are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.

Capital Outlays	\$	88,824	
Asset Retirement		(4,024)	
Depreciation		<u>(65,524)</u>	
Total Capital Assets			19,276

The governmental funds report debt proceeds as financing sources, while repayment of debt principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Repayment of Long-Term Debt Principal	\$	46,000	
Change in Accrued Interest Payable		537	
Accrued Leave		<u>(18,512)</u>	
Total Long-term Liabilities			<u>28,025</u>

Change in net assets of governmental activities	<u>\$ (18,406)</u>
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The notes to the financial statements are an integral part of this statement.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Southwest Utah Public Health Department (a component unit of Washington County, Utah) (the Health Department) is organized as a five county health department, providing services to Washington, Iron, Beaver, Kane and Garfield counties. The Health Department is governed by a 10 member board of health consisting of one commissioner from each of the five counties and representatives from the school districts and the medical community.

The Health Department is a component unit of Washington County, State of Utah, by virtue of the fact that Utah Statute designates the County Treasurer in the County where the main office resides as the Treasurer for the Health Department.

The Health Department provides health related services to the citizens and governmental units of the five county area.

The Health Department has eight offices throughout the five county area with the main office at St. George, in Washington County. Under current law, the Health Department, by virtue of the location of its main office, is considered a component unit of Washington County, State of Utah and the Washington County Treasurer is also the Treasurer for the Health Department.

For financial reporting purposes, the Health Department has included all funds and account groups. The Department has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship to the Department are such that exclusion would cause the Departments financial statements to be misleading or incomplete. The decision to include a potential component unit in the reporting entity is made by applying the criteria set forth by the Governmental Accounting Standards Board. The basic, but not only, criterion for including a potential component unit within the reporting entity is whether or not the Department exercises significant influence over the potential component unit. Significant influence or accountability is based primarily on operational or financial relationships with the Department.

As required by generally accepted accounting principles, these basic financial statements present the Southwest Utah Public Health Department (the primary Government) and its component unit. Blended component units, although legally separate entities, are in substance, part of the primary government's operation. At this time the Department has no blended component units. Discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Department. The Department has one discretely presented component unit as noted below.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Discretely Presented Component Unit - The Southwest Utah Community Health Center (The Health Center) provides community based health-care services to people in the Southwest Utah area. The Health Center is funded by federal financial assistance and charges for services. The Health Center issued separate audited financial statements dated April 12, 2006. Complete financial statements can be obtained from their administrative office.

The accounting policies of the Health Department conform to generally accepted accounting principles as applicable to state and local governmental entities except as noted below. The following is a summary of the more significant policies.

Basis of Presentation - Government-wide and Fund Financial Statements - The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) report information on all of the activities of the Department. These statements include the financial activities of the overall government, except for fiduciary activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Department's governmental activities. Direct expenses are those which are specifically associated with a function, and therefore, are clearly identifiable to a particular function. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and fiduciary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. The Department reports the following governmental funds:

Governmental Fund Type

General Fund - The general fund is the general operating fund of the Health Department. Since it is the Health Department's function to administer related programs for state and federal agencies under various contracts with participation from the counties and school districts within the five county area, all revenues are accounted for in the general fund.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Measurement focus, basis of accounting, and financial statement presentation - The *government-wide financial statements, and fiduciary fund financial statements* are reported using the economic measurement focus. The government-wide financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the Department receives value without directly giving equal value in exchange, include grants and donations.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The Health Department considers all revenues reported in the governmental funds to be available if the revenues are collected within approximately sixty days after year end. Revenues are generated primarily from contracts with federal and state agencies with matching funds from local participants in the Department and client fees for services. Contracts which are generally fixed in nature, occasionally cover periods different from the Department's fiscal year. In such cases revenues are recognized based on expenditures incurred. Excesses of expenditures over revenues (if any) are either renegotiated with the funding agency or reimbursed by participants in the Health Department.

Capital Assets - The capital assets of the Department, which include buildings and improvements, furniture and fixtures, machines and equipment, and vehicles are reported in the government-wide financial statements. The Department defines capital assets as assets with an initial, individual cost of more than \$1,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extended assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized. Capital assets of the Health Department are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	5 - 40
Leasehold Improvements	10
Vehicles	3 - 5
Machines and Equipments	5 - 20
Furniture and Fixtures	5 - 20

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data - The Health Department adopts a budget for all funds except trust and agency funds. The adopted budget is prepared using the same basis of accounting as the Department's financial statements with the exception that the Health Department does not budget for WIC commodities and state provided immunizations which are non-cash transactions.

All budget amounts presented in the accompanying financial statements and supplementary information have been adjusted for legally authorized revisions of the annual budgets during the year.

Compensated Absences - Vacation and sick pay paid during the current period are included with expenditures in the General Fund. Accumulated unpaid vacation and sick pay amounts are reported as a liability in the Government-wide financial statements.

Cash and Cash Equivalents - The Health Department has defined cash and cash equivalents to include cash on hand, demand deposits and cash deposited with the Washington County Treasurer.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Long-Term Obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

Encumbrance Accounting - The Health Department does not use encumbrance accounting.

Inventory - The Health Department has no significant amounts of inventory or supplies. Purchases of such items are charged as an expenditure when purchased. The Health Center inventory consists of purchased and donated supplies on hand and is stated at actual cost.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - HEALTH RELATED SERVICES CONTRACTS

The Health Department has entered into several agreements with the State of Utah and the State Health Department to provide specific health related services within the five county area. Revenues are recognized based upon expenditures. The specific contracts are detailed below:

<u>Contract Title</u>	<u>Contract Number</u>	<u>Total Contract Amount</u>	<u>2005 Revenue</u>
General Health(Minimum Performance Standards)	04-2179	\$ 235,374	\$ 117,687
	05-2400	237,046	118,523
Prevention Block	05-0218	39,500	15,046
	06-0240	39,500	13,614
Immunization Administration	05-0215	58,695	32,097
	06-0508	59,902	28,197
State Immunizations	----	265,956	265,956
CHEC	04-2204	44,895	21,704
	06-0321	47,095	16,109
P-5 Home Visitation	05-0215	21,200	9,197
P-5 Home Visitation	06-0508	21,200	15,706
Women, Infants & Children - Commodities	05-1219	2,973,600	2,023,685
	05-1219	2,923,900	694,794
Women, Infants & Children - Administration/Education	05-1219	760,800	680,680
	06-1163	852,200	227,179
Healthy Utah	05-0218	11,400	5,378
	06-0240	5,000	2,437
Tobacco Prevention & Control	05-0218	132,773	59,281
	06-0240	132,773	55,085
Gold Medal Schools	05-0218	5,000	5,000

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - HEALTH RELATED SERVICES CONTRACTS (CONTINUED)

<u>Contract Title</u>	<u>Contract Number</u>	<u>Total Contract Amount</u>	<u>2005 Revenue</u>
HIV Prevention/ Testing	06-0239	17,500	17,500
Maternal and Child Health	05-0215	87,437	43,719
	06-0508	88,437	44,218
Consumer Education & Assistance	04-2204	116,200	56,161
	06-0321	120,800	77,065
Diabetes Today	05-0218	5,000	3,061
	05-0218	5,000	1,563
Community Based Services	04-2172	127,800	32,869
	06-0487	127,800	110,866
Comprehensive Tobacco	05-0218	33,104	23,760
	06-0240	31,160	18,855
STD Control	06-0239	1,000	1,000
Heart Disease & Stroke	05-0218	31,956	19,289
	06-0240	31,956	18,151
Federal, CDC & UCCP Cancer Screening	05-0218	57,570	17,323
	06-0240	51,200	18,044
DEQ-ENV	05-0567	100,660	50,330
	05-0567	101,780	50,890
EPHTP	04-1739	30,000	20,000
LHD-Environmental Services	05-2400	12,500	12,500
Safe & Secure Families	05-0892	40,431	18,878
Summer Food Program	05-2400	200	200

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 2 - HEALTH RELATED SERVICES CONTRACTS (CONTINUED)

<u>Contract Title</u>	<u>Contract Number</u>	<u>Total Contract Amount</u>	<u>2005 Revenue</u>
T B Elimination & Medication	06-0239	7,850	6,950
Women's Health	06-1072	52,250	22,450
Bioterrorism	05-1350	300,949	239,579
	06-1001	150,475	51,811
Bio-Reg Epidemiology	04-1385	8,775	2,925
Indoor Clean Air	04-2179	2,040	1,966
Oral Health	05-0215	4,000	<u>3,594</u>
Total Health Related Contracts			<u>\$ 5,392,872</u>

The Health Department also receives revenues from the participating counties, school boards and other local agencies. In addition, collections for some services are obtained from patients and private insurance companies, as well as Medicare and Medicaid.

NOTE 3 - CASH

The Health Department pools its cash and investments into various demand and interest-bearing accounts. A summary of the cash and investments at June 30, 2005 is as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Primary Government:		
County Treasurer	\$ 26,986	\$ 26,986
Demand Accounts	146,759	146,759
Petty Cash	<u>1,000</u>	<u>1,000</u>
Total Primary Government	<u>\$ 174,745</u>	<u>\$ 174,745</u>
Discretely Presented Component Unit:		
Demand Accounts	\$ 300,887	\$ 300,887
Petty Cash	<u>300</u>	<u>300</u>
Total Component Unit	<u>\$ 301,187</u>	<u>\$ 301,187</u>

**SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005**

NOTE 3 - CASH (CONTINUED)

The Health Department's cash is held in trust with the Washington County Treasurer who is also the Treasurer for the Health Department. The funds held by the County Treasurer are invested in accordance with the requirements of the Utah Money Management Act. For details of investment risk and other disclosures, the General Purpose financial Statements of Washington County for the year ended December 31, 2005 should be consulted.

At June 30, 2005, the carrying amount of the Department's demand deposits was \$174,745 and the bank balances were \$124,421. The bank balances were entirely covered by Federal Depository Insurance.

The Health Department's policy is to follow the requirements of the Utah Money Management Act (Utah Code Annotated 1953, Section 51, Chapter 7) in handling its depositing of Department funds in a "qualified depository." The Act defines a "qualified depository" as any financial institution whose deposits are insured by an agency of the federal government and which has been certified by the commissioner of financial institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council

The Utah Money Management Act also governs the scope of securities allowed as appropriate temporary investments for the Department and conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers. Allowable investments under the Act include:

- a. Negotiable or non-negotiable deposits of qualified depositories.
- b. Repurchase agreements with qualified depositories or primary reporting dealers.
- c. Commercial paper which is rated P-1 by Moody's Investors Services or A-1 by Standard and Poor Inc. if the remaining term to maturity is 270 days or less.
- d. Bankers' acceptances that are eligible for discount at a federal reserve bank and which have a remaining term of 270 days or less.
- e. Obligations of the United States Treasury, including bills, notes, and bonds.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 3 - CASH (CONTINUED)

- f. Obligations issued by or fully guaranteed as to principal and interest by the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer: Federal Farm Credit banks, Federal Home Loan banks, Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, or Student Loan Marketing Association.
- g. Shares or certificates in any open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940, the portfolio of which is restricted by law or agreement to investments in which public funds may be invested directly.

NOTE 4 - ACCOUNTS RECEIVABLE AND DUE FROM OTHER GOVERNMENTAL AGENCIES

The \$593,388 due from other governmental agencies at December 31, 2005, represents amounts due for billings to the State Health Department and other local agencies for November and December of 2005. These monies were received during the 1st quarter of 2006.

NOTE 5 - RETIREMENT PLAN

The reporting entity is a member of the Utah Retirement Systems, and acts as an agent for the Systems in calculating and remitting contributions. All employees are eligible to participate if they work an average of 20 hours or more per week. Employees are covered either by a contributory or a noncontributory plan. All reporting entity contributions are reimbursed either by the State of Utah or the U.S. Government for federal categorical programs. The reporting entity has no liability to pay retirement benefits should the systems fail.

Plan Description - The reporting entity contributes to the Local Governmental Contributory Retirement System and Local Governmental Noncontributory Retirement system cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide retirement benefits, annual cost of living allowances, death benefits and refunds to plan members and beneficiaries in accordance with retirement statutes established and amended by the State legislature.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 - RETIREMENT PLAN (CONTINUED)

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah State Retirement Systems and Plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement System, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Funding Policy - Plan members in the Local governmental Contributory Retirement System are required to contribute 6% of their covered salary (all or part may be paid by the employer). The reporting entity is required to contribute a percent of covered salary to the respective systems, 7.08% to the Contributory and 11.09% to the Noncontributory. The contribution rates are actuarially determined rates and are approved by the Board as authorized by Chapter 49.

The reporting entity's contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2005, 2004 and 2003, were \$16,879, \$15,818 and \$21,024 respectively and for the Noncontributory Retirement System the Contributions for December 31, 2005, 2004 and 2003, were \$281,512, \$245,868 and \$210,357 respectively. The contributions were equal to the required contributions for each year.

The reporting entity also provides eligible employees with a 401(k) deferred compensation plan. Employee and employer contributions to this plan amounted to the following for each respective year:

	Employee Paid <u>Contributions</u>	Employer Paid for Employee <u>Contributions</u>
2005	\$76,274	\$56,604
2004	48,788	57,552
2003	42,195	54,285

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 5 - RETIREMENT PLAN (CONTINUED)

Deferred Compensation Plan - The reporting entity offers a deferred compensation plan to all its employees under a plan administered by the Utah State Retirement Office, and established in accordance with Internal Revenue Code Section 457. Employees are permitted to defer a portion of their salary until future years. Only upon termination, retirement, death, or an unforeseen emergency is the deferred compensation available to an employee.

The Utah Retirement Systems have adopted Governmental Accounting Standards Board Statement 32 (GASB No. 32), *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. This resulted in reporting the 457 Plans as a "Trust Fund" rather than previously as an "Agency Fund". Now all of the assets and income of the 457 Plan are held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer.

NOTE 6 - CAPITAL ASSETS

Following is a summary of changes to Capital Assets which consists of various pieces of furniture, fixtures, equipment and buildings.

	Balance 12/31/04	Additions	Retirements	Balance 12/31/05
Primary Government:				
Furniture & Equipment	\$ 209,343	\$ 88,824	\$ 19,042	\$ 279,125
Assets Under Capital				
Lease - Buildings	1,243,750	----	----	1,243,750
	<u>\$ 1,453,093</u>	<u>\$ 88,824</u>	<u>\$ 19,042</u>	1,522,875
Accumulated Depreciation	<u>\$ 155,190</u>	<u>\$ 65,524</u>	<u>\$ 15,018</u>	<u>205,696</u>
Capital Assets Net of Accumulated Depreciation- Primary Government				<u>\$ 1,317,179</u>
Discretely Presented Component Unit:				
Furniture & Equipment	\$ 67,854	\$ 18,796	\$ 12,243	\$ 74,407
	<u>\$ 67,854</u>	<u>\$ 18,796</u>	<u>\$ 12,243</u>	74,407
Accumulated Depreciation	<u>\$ 27,539</u>	<u>\$ 10,916</u>	<u>\$ 6,370</u>	<u>32,085</u>
Capital Assets Net of Accumulated Depreciation- Component Unit				<u>\$ 42,322</u>

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 7 - BUDGETARY ADJUSTMENT

Since the Health Department's budget is prepared on a basis that differs from generally accepted accounting principles, adjustments to actual were necessary for comparability purposes. The Health Department doesn't provide in the budget for WIC commodities or for immunizations received from the Utah Department of Health. These adjustments were made to actual expenditures in order to compare them to the legally adopted budget.

NOTE 8 - OPERATING LEASE OBLIGATIONS

The Health Department has entered into several lease agreements leasing office space and certain equipment. The following is a summary of the minimum lease obligations:

<u>Location</u>	<u>Term</u>	<u>Monthly Payment</u>	
		<u>Office Space</u>	<u>Equipment</u>
Beaver	1/06 to 12/11	\$ 1,000	\$ 160
Cedar	Month to Month	---	496
Escalante	10/90 to 10/2010	250	---
St. George	6/02 to 5/2007	23,245	1,367
LaVerkin	8/03 to 6/2008	1,547	183
Kanab	Month to Month	1,458	183
Panguitch	Month to Month	650	183
Milford	Month to Month	250	---
		<u>\$ 28,400</u>	<u>\$ 2,572</u>

Minimum lease obligations by year are as follows:

Primary Government:

<u>Year Ended</u>	<u>Building Leases</u>	<u>Equipment Leases</u>	<u>Total</u>
12/31/06	\$ 329,994	\$ 30,864	\$ 360,858
12/31/07	167,279	30,612	197,891
12/31/08	33,027	27,840	60,867
12/31/09	15,000	18,709	33,709
12/31/10	14,250	10,343	24,593
Thereafter	12,000	396	12,396
	<u>\$ 571,550</u>	<u>\$ 118,764</u>	<u>\$ 690,314</u>

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 8 - OPERATING LEASE OBLIGATIONS (CONTINUED)

Discretely Presented Component Unit:

<u>Year Ended</u>	<u>Building Leases</u>	<u>Equipment Leases</u>	<u>Total</u>
12/31/06	\$ ----	\$ 49,366	\$ 49,366
12/31/07	----	48,517	48,517
12/31/08	----	39,018	39,018
12/31/09	----	----	----
12/31/10	----	----	----
Thereafter	----	----	----
	<u>\$ ----</u>	<u>\$ 136,901</u>	<u>\$ 136,901</u>

NOTE 9 - OTHER LONG TERM OBLIGATIONS

The accumulated unpaid vacation pay for the primary government at December 31, 2005 amounted to \$117,373. During the fiscal year ended December 31, 2001, the Department approved an addition to the personnel policy (covering the reporting entity) that allows for a retiring employee to convert 50% of accrued sick leave to cash or continued health insurance or a combination of both. The retiring employee must be age 55 or over and have 10 or more years of service with the Department. As of December 31, 2005 fifty percent of the accumulated unpaid sick pay for qualified employees amounted to \$119,149.

NOTE 10 - CAPITAL LEASE OBLIGATIONS

During 2002, the Department entered into a capital lease payable to the Municipal Building Authority of Iron County, Utah due in annual installments ranging from \$72,494 to \$73,944 including interest at 2.5% with a maturity date of July 15, 2023, secured by a building and land. The capital lease is a sublease agreement with Iron county who in turn is leasing the property from the Building Authority. Each year, the Department has the option of revoking the sublease agreement but at this time does not intend to exercise this option. Included with the annual payments for fiscal years 2005 to 2010 are additional payments to the Building Authority to help set up a reserve fund in accordance with the provisions of the financing agreement the Municipal Building Authority used to construct the building. The capital lease payment obligations for the primary government by year are as follows:

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 10 - CAPITAL LEASE OBLIGATIONS (CONTINUED)

<u>Year Ending December 31</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2006	\$ 47,000	\$ 26,319	\$ 73,319
2007	48,000	25,144	73,144
2008	50,000	23,944	73,944
2009	51,000	22,694	73,694
2010	52,000	21,419	73,419
2011	53,000	20,119	73,119
2012	55,000	18,794	73,794
2013	56,000	17,419	73,419
2014	57,000	16,019	73,019
2015	59,000	14,594	73,594
2016	60,000	13,119	73,119
2017	62,000	11,619	73,619
2018	63,000	10,069	73,069
2019	65,000	8,494	73,494
2020	67,000	6,869	73,869
2021	68,000	5,194	73,194
2022	69,000	3,494	72,494
2023	<u>70,750</u>	<u>1,769</u>	<u>72,519</u>
Totals	<u>\$ 1,052,750</u>	<u>\$ 267,092</u>	<u>\$ 1,319,842</u>

The following is a summary of capital lease transactions for the year ended December 31, 2005:

<u>Balance 12/31/04</u>	<u>New Debt</u>	<u>Retirements</u>	<u>Balance 12/31/05</u>	<u>Due Within One Year</u>
<u>\$ 1,098,750</u>	<u>\$ ----</u>	<u>\$ 46,000</u>	<u>\$ 1,052,750</u>	<u>\$ 47,000</u>

NOTE 11: LITIGATION

During the ordinary course of its operation, the Department is party to various claims, legal actions, and complaints. In the opinion of the Department's management and legal counsel, these matters are not anticipated to have a material financial impact on the Department as any payment would be covered by the Department's insurance company.

(A COMPONENT UNIT OF WASHINGTON COUNTY, UTAH)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2005

NOTE 12: BANK LOAN PAYABLE - DISCRETELY PRESENTED COMPONENT UNIT

At December 31, 2005, Southwest Utah Community Health Center, Inc. had a \$12,000 unsecured line of credit with a bank with an interest rate which was approximately 6.75% at December 31, 2005. In 2002, the Health Center drew down the full \$12,000 and advanced that amount to an employee who per contract with the Health Center has agreed to make semi-monthly payments of principle and interest over a period not to exceed three years, satisfying the terms of the loan. As of December 31, 2005, \$2,543 of the line of credit was outstanding and due within one year.

NOTE 13: COMMITMENTS, CONTINGENCIES, AND SUBSEQUENT EVENTS

The Department is in the process of purchasing and renovating a building in the Washington County area through the Washington County Building Authority at a cost of \$3,500,000. The purchase, renovations, and other costs will be funded by a twenty year, capital lease obtained through the Utah State Community Impact Board and administered by Washington County.

REQUIRED
SUPPLEMENTARY
INFORMATION

Southwest Utah Public Health Department
(A Component Unit of Washington County, Utah)

**Statement of Revenues, Expenditures and Changes in
Fund Balance - Budget and Actual - General Fund Types
For The Year Ended December 31, 2005**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Adjustment To Budgetary Basis (Note 7)</u>	<u>Actual On Budgetary Basis</u>	<u>Over (Under) Budget</u>
	<u>Original</u>	<u>Revised</u>				
Revenues:						
Federal and State Contracts	\$ 2,493,714	\$ 2,373,900	\$ 2,389,645	\$ -	\$ 2,389,645	\$ 15,745
WIC Commodities	-	-	2,718,479	(2,718,479)	-	-
Medicaid	300,000	330,000	332,139	-	332,139	2,139
County Participation	704,920	704,920	704,920	-	704,920	-
Fees and Donations	600,000	950,000	949,116	-	949,116	(884)
School Board Participation	17,147	17,147	17,147	-	17,147	-
State Immunizations	-	-	265,956	(265,956)	-	-
Interest	-	-	8,581	-	8,581	8,581
Other	82,853	90,126	79,215	-	79,215	(10,911)
Total Revenues	<u>4,198,634</u>	<u>4,466,093</u>	<u>7,465,198</u>	<u>(2,984,435)</u>	<u>4,480,763</u>	<u>14,670</u>
Expenditures:						
Wages, Salaries and Fringe Benefits	3,114,439	3,145,607	3,126,523	-	3,126,523	(19,084)
Administration	30,000	36,521	46,669	-	46,669	10,148
Travel	90,000	92,535	94,393	-	94,393	1,858
Office Supplies	50,000	104,688	73,283	-	73,283	(31,405)
Printing	9,000	6,248	6,523	-	6,523	275
Postage and Freight	18,000	22,438	25,774	-	25,774	3,336
Subscriptions and Publications	5,000	4,000	7,976	-	7,976	3,976
Telephone	43,000	46,292	44,615	-	44,615	(1,677)
Clinic - Physicians	8,000	8,879	37,037	-	37,037	28,158
Professional Services	84,000	73,332	115,838	-	115,838	42,506
Laboratory Expenses	5,700	8,659	4,669	-	4,669	(3,990)
Workshops	8,000	7,696	6,630	-	6,630	(1,066)
Fiscal Accounting	5,300	6,652	19,783	-	19,783	13,131
Clinic Supplies	233,646	196,954	318,668	-	318,668	121,714
Insurance and Bonding	13,000	23,659	16,325	-	16,325	(7,334)
Public Information	7,000	-	-	-	-	-
Rent	275,000	350,784	246,303	-	246,303	(104,481)
Utilities	25,000	23,424	23,334	-	23,334	(90)
Maintenance and Repairs	48,000	90,337	85,358	-	85,358	(4,979)
Janitorial	2,300	1,247	1,564	-	1,564	317
Reimbursements	30,000	59,256	58,246	-	58,246	(1,010)
Capital Expenditures	14,640	103,699	85,622	-	85,622	(18,077)
WIC Commodities	-	-	2,718,479	(2,718,479)	-	-
State Immunizations	-	-	265,956	(265,956)	-	-
Interest Expense	28,200	28,000	27,469	-	27,469	(531)
Building Lease	46,000	46,000	46,000	-	46,000	-
Equipment Rent	22,609	22,836	27,868	-	27,868	5,032
Total Expenditures	<u>4,215,834</u>	<u>4,509,743</u>	<u>7,530,905</u>	<u>(2,984,435)</u>	<u>4,546,470</u>	<u>36,727</u>
Excess Revenues Over (Under) Expenditures	(17,200)	(43,650)	(65,707)	-	(65,707)	(22,057)
Beginning Fund Balance	<u>705,541</u>	<u>705,541</u>	<u>705,541</u>	<u>-</u>	<u>705,541</u>	<u>-</u>
Ending Fund Balance	<u>\$ 688,341</u>	<u>\$ 661,891</u>	<u>\$ 639,834</u>	<u>\$ -</u>	<u>\$ 639,834</u>	<u>\$ (22,057)</u>

Southwest Utah Public Health Department

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005**

<u>Passed Through State Department of Health</u>	<u>CFDA #</u>	<u>Pass-Thru Grantor or Contract #</u>	<u>Total Program or Award Amount</u>	<u>Accrued or (Deferred) Revenue at Jan. 1, 2004</u>	<u>Cash Receipts</u>	<u>Revenue Recogn.</u>	<u>Expend.</u>	<u>Accrued or (Deferred) Revenue at Dec. 31, 2005</u>	<u>Major Program</u>
<u>U.S. Department of Agriculture</u>									
WIC	10.557	05-1219	\$ 760,800	\$ 119,541	\$ 800,221	\$ 680,680	\$ 680,680	\$ -	
	10.557	06-1163	852,200	-	-	227,179	227,179	227,179	
WIC - Commodities	10.557	05-1219	2,973,600	-	2,023,685	2,023,685	2,023,685	-	
	10.557	06-1163	2,923,900	-	694,794	694,794	694,794	-	
Program Total			7,510,500	119,541	3,518,700	3,626,338	3,626,338	227,179	X
Summer Food Service Program	10.559	05-2400	300	-	-	200	200	200	
Total Department of Agriculture			7,510,800	119,541	3,518,700	3,626,538	3,626,538	227,379	
<u>Environmental Protection Agency</u>									
Capitalization Grants for Drinking Water	66.468	05-0567	100,660	-	13,589	13,589	13,589	-	
	66.468	05-0567	101,780	-	13,740	13,740	13,740	-	
Program Total			202,440	-	27,329	27,329	27,329	-	
Environmental Health	66.605	05-0567	100,660	-	1,007	1,007	1,007	-	
	66.605	05-0567	101,780	-	1,019	1,019	1,019	-	
Program Total			202,440	-	2,026	2,026	2,026	-	
Total Environmental Protection Agency			404,880	-	29,355	29,355	29,355	-	
<u>U.S. Department of Health & Human Services</u>									
Maternal & Child Health Fed Consolidated	93.110	05-0215	4,000	17	3,610	3,593	3,593	-	
TB Control	93.116	06-0239	7,850	-	5,682	6,533	6,533	851	
Immunization Administration	93.268	05-0215	58,695	-	32,097	32,097	32,097	-	
	93.268	06-0508	59,902	-	28,197	28,197	28,197	-	
State Immunizations	93.268	-	231,382	-	231,382	231,382	231,382	-	
Program Total			349,979	-	291,676	291,676	291,676	-	
Bioterrorism	93.283	05-1350	300,949	27,814	267,393	239,579	239,579	-	
	93.283	06-1001	150,475	-	21,581	51,811	51,811	30,230	
Bioterrorism Reg EPI	93.283	04-1385	8,775	-	2,925	2,925	2,925	-	
Cancer Screening	93.283	05-0218	56,570	9,993	27,286	17,293	17,293	-	
	93.283	06-0240	49,700	-	10,978	17,394	17,394	6,416	
EPHTP	93.283	04-1739	30,000	-	20,000	20,000	20,000	-	
Comprehensive Tobacco	93.283	05-0218	33,104	791	24,551	23,760	23,760	-	
	93.283	06-0240	31,160	-	15,636	18,855	18,855	3,219	
Program Total			660,733	38,598	390,350	391,617	391,617	39,865	
Family Preservation & Support Services	93.556	05-0892	40,431	11,237	30,116	18,879	18,879	-	
Consumer Education & Assistance	93.778	04-2204	116,200	18,815	59,251	40,436	40,436	-	
	93.778	06-0321	120,800	-	39,324	55,487	55,487	16,163	
CHEC	93.778	04-2204	44,895	6,438	21,631	15,193	15,193	-	
	93.778	06-0321	47,095	-	7,386	11,276	11,276	3,890	
Program Total			328,990	25,253	127,592	122,392	122,392	20,053	
AIDS Health Education/HIV Prevention	93.940	06-0239	17,500	-	17,500	17,500	17,500	-	
Chronic Disease Prevention & Control	93.945	05-0218	5,000	-	5,000	5,000	5,000	-	
Sexually Transmitted Disease	93.977	06-0239	1,000	-	1,000	1,000	1,000	-	
Diabetes Today	93.988	05-0218	5,000	849	3,910	3,061	3,061	-	
	93.988	06-0240	5,000	-	1,333	1,562	1,562	229	
Program Total			10,000	849	5,243	4,623	4,623	229	
PBG Injury Prevention	93.991	05-0218	9,500	514	4,756	4,242	4,242	-	
	93.991	06-0240	9,500	-	403	728	728	325	

Southwest Utah Public Health Department

**Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2005**

		Pass-Thru Grantor or Contract #	Total Program or Award Amount	Accrued or (Deferred) Revenue at Jan. 1, 2004	Cash Receipts	Revenue Recogn.	Expend.	Accrued or (Deferred) Revenue at Dec. 31, 2005	Major Program
<u>Passed Through State Department of Health</u>	<u>CFDA #</u>								
Heart Disease & Stroke	93.991	05-0218	31,956	3,111	22,400	19,289	19,289	-	
	93.991	06-0240	31,956	-	9,406	18,150	18,150	8,744	
Program Total			<u>82,912</u>	<u>3,625</u>	<u>36,965</u>	<u>42,409</u>	<u>42,409</u>	<u>9,069</u>	
Maternal Child Health	93.994	05-0215	87,437	-	43,719	43,719	43,719	-	
	93.994	06-0508	88,437	-	44,219	44,219	44,219	-	
Community Based Services	93.994	04-2172	127,800	29,281	62,150	32,869	32,869	-	
	93.994	06-0487	127,800	-	73,805	110,866	110,866	37,061	
P-5 Home Visitation	93.994	05-0215	21,200	2,949	12,146	9,197	9,197	-	
	93.994	06-0508	21,200	-	10,974	15,706	15,706	4,732	
MCH Injury Prevention	93.994	05-0218	24,500	5,831	11,136	5,305	5,305	-	
	93.994	06-0240	24,500	-	7,897	12,691	12,691	4,794	
Child Injury Prevention	93.994	05-0218	5,500	-	5,500	5,500	5,500	-	
	93.994	06-0240	5,500	-	127	195	195	68	
Program Total			<u>533,874</u>	<u>38,061</u>	<u>271,673</u>	<u>280,267</u>	<u>280,267</u>	<u>46,655</u>	
Total Department of Health & Human Services			<u>2,042,269</u>	<u>117,640</u>	<u>1,186,407</u>	<u>1,185,489</u>	<u>1,185,489</u>	<u>116,722</u>	
Total Federal Financial Assistance			<u>\$ 9,957,949</u>	<u>\$ 237,181</u>	<u>\$ 4,734,462</u>	<u>\$ 4,841,382</u>	<u>\$ 4,841,382</u>	<u>\$ 344,101</u>	

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note A: Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Southwest Utah Public Health Department and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the component unit financial statements.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
ST. GEORGE, UTAH

We have audited the basic financial statements of the governmental activities, discretely presented component unit, and major fund of the Southwest Utah Public Health Department (The Department), component unit of Washington County, State of Utah, as of and for the year ended December 31, 2005, which collectively comprise the Southwest Utah Public Health Department's basic financial statements and have issued our report thereon dated May 15, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Department's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to the management of the Southwest Utah Public Health Department, in a separate letter dated May 15, 2006.

This report is intended solely for the information and use of the Department's Board, management, others within the organization, the Utah State Health Department, and federal awarding agencies and is not intended to be and should not be used by anyone other than these specified parties.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
May 15, 2006



**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
ST. GEORGE, UTAH

Compliance

We have audited the compliance of the Southwest Utah Public Health Department (The Department) with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2005. The Department's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Department's management. Our responsibility is to express an opinion on the Department's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Department's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Department's compliance with those requirements.

In our opinion the Department complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the Department is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Department's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Health Board, management, others within the organization, the Utah State Health Department, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
May 15, 2006

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2005

I. SUMMARY OF AUDITORS' RESULTS

- A. Type of audit report issued on the financial statements: Unqualified opinion.
- B. Reportable conditions in internal control disclosed by the audit: None.
- C. Instances of noncompliance material to the financial statements: None.
- D. Reportable conditions in internal control over major programs disclosed by the audit: None
- E. Type of report issued on compliance for major programs: Unqualified opinion.
- F. Audit findings required to be reported under paragraph .510(a): None.
- G. Major Programs:

<u>Program</u>	<u>CFDA</u>	<u>Amount</u>
Special Supplemental Nutrition program for women, infants, and children (WIC)	10.557	\$ 3,626,338

- H. Dollar threshold used to distinguish between Type A and B programs, as described in paragraph .520(b): \$300,000.
- I. The Southwest Utah Public Health Department qualifies as a low-risk auditee under paragraph.530.

**II. FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED
IN ACCORDANCE WITH *GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS***
-NONE-

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS AS DEFINED IN PARAGRAPH 510(A)

<u>FINDING</u>	<u>QUESTIONED COSTS</u>
None	None



INDEPENDENT AUDITORS' REPORT ON STATE LEGAL COMPLIANCE

We have audited the basic financial statements of the Southwest Utah Public Health Department of St. George, Utah, component unit of Washington County, Utah, for the year ended December 31, 2005, and have issued our report thereon dated May 15, 2006. As part of our audit we have audited the Southwest Utah Public Health Department's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2005. The Health Department received the following major State assistance programs from the State of Utah:

- Public Health Services (Department of Health)
- Environmental Quality (Department of Environmental Quality)
- Cancer Screening

The Health Department also received the following nonmajor grants which are not required to be audited for specific compliance requirements (however, these programs were subject to test work as part of the audit of the Southwest Utah Public Health Department's financial statements):

- Tobacco Prevention and Control
- Youth Corrections
- Healthy Utah (Department of Health)
- Safe Drinking Water (Department of Environmental Quality)
- STD (Department of Health)
- Tobacco Free Utah (Department of Health)
- Aids Health Education
- Indoor Clean Air
- Fostering Healthy Children
- Family Preservation

Our audit also included test work on the Health Department's compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

- Public Debt
- Cash Management
- Purchasing Requirements
- Budgetary Compliance
- Other Compliance Requirements
- Special Districts

The management of the Southwest Utah Public Health Department is responsible for compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Health Department's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying management letter. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Southwest Utah Public Health Department complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special test and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2005.

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
May 15, 2006

STATUS OF PRIOR YEAR'S FINDINGS FOR STATE COMPLIANCE

The basic financial statements of the Southwest Utah Public Health Department for the year ended December 31, 2004, contained the following audit findings.

A recommendation that was made in the prior audit related to depositing funds within three business days, has yet to be fully implemented and is included again in the management recommendation letter. Again this year, we noted one instance from our sample of forty where the funds received were not deposited within three business days as required by state statute.

SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

-None-



SOUTHWEST UTAH PUBLIC HEALTH DEPARTMENT
ST. GEORGE, UT

In planning and performing our audit of the basic financial statements of the Southwest Utah Public Health Department(The Department), component unit of Washington County, Utah, for the year ended December 31, 2005, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting.

Our audit was made in accordance with auditing standards generally accepted in the United States of America, including the study and evaluation of the Department's system of internal control over financial reporting for the year ended December 31, 2005, that was made for the purposes set forth in the first paragraph of this report, would not necessarily disclose all weaknesses in the system because it was based on selective tests of accounting records and related data. However, such study and evaluation disclosed the following conditions that we believe should be brought to your attention.

Please understand that a letter of this type is intended to be constructive in nature, and that the absence of positive or complimentary comments is not intended to imply that the operation is not efficient or sound.

DEPOSITS

Finding: Monies received by the Department have not always been deposited within three banking days as required by the state.

Recommendation: Monies received should be deposited within three banking days regardless the size of the deposit.

Management Response: Management has requested that all offices comply with the three business day deposit requirement.

BUDGETING

Finding: The Department's general fund expenditures exceeded the amount appropriated in the final adopted budget by \$36,727.

Recommendation: Care should be taken to ensure that the Department's expenditures stay within the total of the final budgeted appropriation.

Management Response: Management will comply with this recommendation.

This report is intended solely for the information and use of the Health Board, management, others within the organization, the Utah State Health Department, and federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties. We appreciate the help and cooperation provided by the Health Department personnel during the course of our audit.

We would be pleased to discuss these matters with you further at your convenience.

Yours Truly,

Hafen, Buckner, Everett & Graff PC

HAFEN, BUCKNER, EVERETT & GRAFF, PC
May 15, 2006